

I. Real Party in Interest

The real party in interest is FirstWeb Bancorp., Inc, a corporation of the state of California.

II. Related Appeals and Interferences

There are no other appeals or interferences that relate to this one known to Applicant.

III. Status of Claims

Claims 1-10 and 26-28 stand rejected under 35 U.S.C. 102(e), in view of Elgamal. Claims 28-30 stand rejected under 35 U.S.C. § 103(a) in view of the combination of Elgamal and Jennings. Each of the claims' rejection is appealed.

IV. Status of Amendments

All amendments subsequent to final rejection have been entered in this document.

V. Summary of Claimed Subject Matter

Claim 1:

Claim 1 is directed to system for the transfer of actual funds, using push-model transfers. Due to its novel features, it permits private and secure transactions that can be finalized much more promptly than prior art systems, such as Elgamal or ECH transactions.

The system comprises at least one payor interface comprising software operative to permit the at least one payer to provide information identifying a desired fund transfer. The system further comprises a gateway having at least one gateway account, said gateway being operative to receive said information, to receive incoming funds from the payor via a push-model

transfer into said at least one gateway account after receiving said information, to inform the user that the payor has provided an appropriate amount of funds via a push-model transfer if said incoming funds received are of an appropriate amount according to said desired fund transfer; and to send corresponding outgoing funds to the user after receiving said incoming funds.

Claim 10:

Claim 10 is directed to a system for performing push-model fund transfers between a plurality of merchants and at least one payor. The system of Claim 10 shares the novel features of Claim 1, which provide it with the same advantageous ability to provide private, secure, and more promptly final transactions, relative to prior systems. It also includes additional features that assist in performing that function.

The system comprises at least one merchant website operative to permit the at least one payor to provide information identifying a desired fund transfer, including the payor, a payee-merchant, and an amount of funds to be transferred. The system further comprises a gateway, the gateway comprising a gateway bank, said gateway bank having at least one gateway account. The gateway is operative to receive said information from said at least one merchant website, to calculate an appropriate amount of incoming funds corresponding to said amount of funds to be transferred, to provide deposit information to the at least one payor sufficiently identifying said gateway account to permit the payor to cause said appropriate amount of incoming funds to be deposited in said at least one gateway account, to receive incoming funds from the payor via a push-model transfer into said at least one gateway account after receiving said information, to inform the payee-merchant that the payor has provided said appropriate amount of incoming funds via a push-model transfer if said incoming funds received are of said appropriate amount

of incoming funds, and to send outgoing funds in said amount of funds to be transferred to the payee-merchant after receiving said incoming funds.

Claim 26:

Claim 26 is directed to a system for performing push-model fund transfers between at least one user and at least one payor.

The system comprises at least one payor interface and a gateway having at least one gateway account. The gateway is operative to receive information identifying a desired fund transfer, to receive incoming funds via a remote deposit from the payor into said at least one gateway account after receiving said information, to inform the user that the payor has provided an appropriate amount of funds if said incoming funds received are of an appropriate amount according to said desired fund transfer; and to send corresponding outgoing funds to the user after receiving said incoming funds.

VI. Grounds of Rejection for Appeal

Rejections Under §102

Claims 1-10 and 26-28 stand rejected under 35 U.S.C. § 102(e) as being anticipated by Elgamal, U.S. Patent No. 6,138,107. It is respectfully submitted that, while the Elgamal patent describes a system for the transfer of funds over a computer network (such as the Internet), it does not anticipate the system disclosed and claimed in the instant application.

Rejections Under §103

Claims 28-30 stand rejected under 35. U.S.C. § 103(a) as obvious in view of Elgamal and U.S. Patent No. 5,659,165 to Jennings.

VII. Argument

Rejections Under §102

Elgamal teaches a system that differs fundamentally from the claimed invention. In Elgamal, fund transfers are accomplished via a conversion process, in which real currency is converted into a pseudo-currency (referred to in the Elgamal patent as “electronic money”). *See, e.g.*, col. 6, ll. 20-25; col. 7, ll. 30-40. The “electronic money” is, in effect, an accounting system used by Elgamal’s system to track a large number of small transactions (“microtransactions”)—in fact, the purpose of Elgamal’s invention was to facilitate such microtransactions. *See* Elgamal, “Summary of the Invention,” col. 5, ll. 20-24. The instant invention was created to solve a different problem, operates in a different fashion, and does not convert real currency into pseudo-currency.

More specifically, Claims 1 and 10 of the instant application explicitly require: “a gateway ... operative ... to receive incoming *funds* from the payor ...; to inform the user that the payor has provided an appropriate amount of *funds*; and to send corresponding outgoing *funds* to the user” It should be noted that the funds are transferred from the payor into “said at least one gateway account,” whereupon the gateway “inform[s] the user that the payor has provided an appropriate amount of funds.”

According to the Final Office Action, Elgamal teaches that the gateway can receive incoming funds from the payor via a push-model transfer at col. 6, lines 23-26. However, those

lines explicitly state, to the contrary, that what is deposited is the “electronic money”—not actual funds. These funds are presumably purchased with actual funds (in the purchase transaction described at lines 22-23). There is, however, no indication whatever that they are purchased by anything other than the usual ACH type transaction, nor does Elgamal explain how such a purchase could be accomplished through a push-model transaction. For example, Elgamal does not discuss the functionality of the software that would be required, nor the requisite nodes for the exchange of the necessary information.

Elgamal itself notes this limitation, at col. 7, lines 45-52

“[E]ach transaction consists of a purchase order and an optional acknowledgement. The acknowledgement is optional in that acceptance of the purchase order is all that is needed to initiate the provision of the requested service, goods, or EMA. In an alternative implementation, the recipient of a purchase order can return a denial if it did not accept the purchase order, rather than with an acknowledgment if it did.”

Put another way, prior systems such as Elgamal convert actual funds into a pseudo-currency. The claimed invention completes the transactions without the need to do so. A key advantage of the Claimed invention over prior art such as Elgamal is that provision of the requested service, goods, or EMA is initiated after actual funds have been provided through a push-model transfer, since such a transfer can assure the merchant (or service or other provider) with a prompt assurance they will ultimately be compensated. The Claimed invention is likewise superior to a standard ACH transaction (such as a credit card purchase), in which a payment can be reversed up to 60 days after the transaction is initiated.

Another advantage of the instant invention is improved privacy and security, because the payor need not provide information identifying his or her bank account, credit card number, or other such information. All that is necessary is that the payor set in motion the push-model transfer of funds, by whatever mechanism preferred (such as wire transfer). On the other hand,

the instant invention provides for superior transfer of information between user and payor over that embedded in current domestic or international fund transfers.

Claim 26 specifically requires that the gateway be operative to “receive incoming funds via a remote deposit from the payor.” As discussed above with respect to Claims 1 and 10, the cited references do not teach or suggest the use push-model transfers to deposit actual funds.

Applicant respectfully submits that, because they fail to teach or suggest the use of push-model transfers, the cited references do not anticipate the claims.

Rejections Under §103

Claims 28-30 stand rejected under 35. U.S.C. § 103(a) as obvious in view of Elgamal and U.S. Patent No. 5,659,165 to Jennings.

As noted by the Final Office Action, to evaluate whether a claimed invention is obvious, the following factual inquiries must be made:

- (1) Determining the scope and content of the prior art;
- (2) Ascertaining the differences between the claimed invention and the prior art; and
- (3) Resolving the level of ordinary skill in the pertinent art.
- (4) Considering objective evidence present in the application indicating obviousness or nonobviousness.

The Final Office Action asserts invalidity under § 103 on the grounds that it would have been obvious to combine an engine that computes currency conversions with the other features of Claim 26. However, since the Office Action erroneously contended that the other features of Claim 26 were all present in Elgamal, it failed to address the fact that the elements of Claim 26 absent from the prior art are non-obvious, and, therefore patentable distinctions over it.

Specifically, as discussed above with respect to the rejections under 35 U.S.C. § 102, the prior art does not teach or suggest a system that uses the deposit of actual funds through a push-model transfer, such that a private, secure, and final transaction can be accomplished much more

quickly than in the prior art. Thus, points (1) and (2) above tend to demonstrate the non-obviousness of Claim 26.

Regarding point (3), the level of skill in the art, it should be recognized that it is substantially lower than that of those who created and maintain the electronic banking system through which ACH transactions are routed. The claimed invention employs that system, but to reproduce it is far beyond the scope of the claimed invention. Rather, the claimed invention provides specific, non-trivial additional functionality, which is advantageous in certain specific respects (as discussed above, particularly where privacy and rapid finality are desired). It is submitted that the level of ordinary skill in the art is approximately a few years of experience in the finance industry, and a bachelor's degree, not necessarily in a field relating to the finance industry. This level of skill in the art also tends to show that Claim 26 is not obvious, since systems that work symbiotically with the electronic banking system to complete transactions with actual funds, rather than through accounting practices, as in Elgamal, are, as far as Applicant is aware—unheard of. If such a system does exist, it has not been made of record in this application. Regardless, the Office Action fails to even address this element of the analysis, much less explain why it supports a finding of obviousness.

It should also be noted that none of the rationales discussed in the PTO's Examination Guidelines for Determining Obviousness support a finding of obviousness. As discussed above, the claimed invention is not merely a combination of elements of the prior art, nor is it the product of a simple substitution of an element in the cited art. The claimed invention does not merely use a known technique, much less one used to improve similar systems, or to produce predictable results.¹ The invention was not an "obvious to try" option from a finite, identified

¹ Application of the "predictable results" rationale must focus on the "known technique" requirement, especially in the context of software or software system inventions. Because

predictable solutions. No suggestion or motivation to modify Elgamal to produce the claimed invention has been found or cited, nor other known work in the field that prompted the modification of Elgamal (or any other reference) to produce the claimed invention.

It should be noted that, for essentially similar reasons, Claims 1-10 are not obvious in view of Elgamal, either alone or in combination with Jennings. (Claims 1-10 have not been rejected under § 103, but, in view of their rejection under § 102, one might expect, a fortiori, the assertion of obviousness as well.)

VIII. Claims Appendix

1. (Previously Amended) A system for performing push-model fund transfers between at least one user and at least one payor, the system comprising:

at least one payor interface comprising software operative to permit the at least one payer to provide information identifying a desired fund transfer;

a gateway having at least one gateway account, said gateway being operative:

to receive said information;

to receive incoming funds from the payor via a push-model transfer into said at least one gateway account after receiving said information;

to inform the user that the payor has provided an appropriate amount of funds via a push-model transfer if said incoming funds received are of an appropriate amount according to said desired fund transfer; and

to send corresponding outgoing funds to the user after receiving said incoming funds.

software inventions may be defined in terms of their functionality—since it is understood that, once their functionality is identified, those skilled in the art are enabled to make and use it—by

2. (Original) The system of claim 1, wherein said software is a website.
3. (Original) The system of claim 2, wherein the at least one user is a plurality of merchants, and each merchant has an associated website.
4. (Original) The system of claim 1, wherein said gateway comprises a gateway bank, and said gateway account is an element of said gateway bank.
5. (Original) The system of claim 1, wherein said information comprises an amount of funds to be transferred, the payor, and the user that is to be a payee of said desired fund transfer.
6. (Original) The system of claim 1, wherein said gateway provides deposit information to the at least one payor sufficiently identifying said gateway account to permit the payor to cause funds to be deposited therein.
7. (Original) The system of claim 6, wherein the payor must cause funds to be deposited in said gateway account by ordering a financial institution with which the payor has an account to transfer funds into said gateway account.
8. (Original) The system of claim 7, wherein the payor orders said financial institution with which the payor has an account to transfer funds into said gateway account using an ACH credit to said gateway account.

9. (Original) The system of claim 1, wherein an amount of said corresponding outgoing funds is determined by the payor and the user, and said appropriate amount of said incoming funds is selected by said gateway based on said amount of said corresponding outgoing funds such that said gateway retains some of said incoming funds.

10. (Previously Amended) A system for performing push-model fund transfers between a plurality of merchants and at least one payor, the system comprising:

at least one merchant website operative to permit the at least one payor to provide information identifying a desired fund transfer, including the payor, a payee-merchant, and an amount of funds to be transferred;

a gateway comprising a gateway bank, said gateway bank having at least one gateway account, said gateway being operative:

to receive said information from said at least one merchant website;

to calculate an appropriate amount of incoming funds corresponding to said amount of funds to be transferred;

to provide deposit information to the at least one payor sufficiently identifying said gateway account to permit the payor to cause said appropriate amount of incoming funds to be deposited in said at least one gateway account;

to receive incoming funds from the payor via a push-model transfer into said at least one gateway account after receiving said information;

to inform the payee-merchant that the payor has provided said appropriate amount of incoming funds via a push-model transfer if said incoming funds received are of said appropriate amount of incoming funds; and

to send outgoing funds in said amount of funds to be transferred to the payee-merchant after receiving said incoming funds.

11. (Withdrawn) A system for transferring funds from a foreign source of funds to a domestic student having a student's account, the system comprising:

a gateway having at least one domestic gateway account;

at least one foreign account operative to receive incoming funds from the source of funds in a first currency, and to inform said gateway of a first quantity of said incoming funds after said incoming funds have been received;

a gateway interface comprising software and operative to permit the student to request a fund transfer through said gateway by identifying the student's account, the source of funds, and a desired quantity of funds to be transferred;

wherein said gateway transfers a corresponding second quantity of funds in said first currency from said gateway account to the student account in a second currency after being informed of said first quantity.

12. (Withdrawn) The system of claim 11, wherein said gateway comprises a federally insured gateway bank, and said gateway domestic account is an element of said gateway bank.

13. (Withdrawn) The system of claim 11, wherein said at least one foreign account is an account with a correspondent bank that provides accounts in at least one foreign country.

14. (Withdrawn) The system of claim 11, wherein said software comprises a website operative to receive as input a desired first quantity and to display a calculation providing the

corresponding second quantity, and to receive as input a desired second quantity and to display a calculation providing the corresponding first quantity.

15. (Withdrawn) The system of claim 11, wherein said domestic account is an account in the United States, and second currency is U.S. dollars.

16. (Withdrawn) The system of claim 11, wherein said foreign account transfers funds to said gateway account after informing said gateway of said first quantity.

17. (Withdrawn) The system of claim 16, wherein said foreign account is operative to receive incoming funds from a plurality of sources of funds, and to transfer funds to said gateway account after said incoming funds have accumulated to more than a pre-determined quantity.

18. (Withdrawn) The system of claim 17, wherein said pre-determined quantity is determined by a quantity necessary to receive a superior rate of exchange between said first and second currencies.

19. (Withdrawn) A system for transferring funds from a plurality of sources of funds, each source of funds being in a corresponding foreign country, to a plurality of students in the United States, each student having a student's account, the system comprising:

a gateway comprising a federally insured gateway bank, the gateway bank including at

least one gateway account in the United States;

at least one correspondent bank providing at least one foreign account in each of the

corresponding foreign countries, the at least one foreign account being operative

to receive incoming funds in a first currency and from at least one source of funds, and to inform said gateway of a first quantity of said incoming funds after said incoming funds have been received;

a website, operative to permit the students to request fund transfers through said gateway, each of said fund transfers being requested by one of the students by identifying the student's account, the student's source of funds, and a desired quantity of funds to be transferred;

wherein said gateway transfers a corresponding second quantity of funds in said first currency from said gateway account to the student account in a second currency after being informed of said first quantity; and

wherein said at least one correspondent bank exchanges funds in foreign currencies for U.S. dollars after sufficient incoming funds have accumulated to permit the at least one correspondent bank to receive a superior rate of exchange and transfers the U.S. dollars to the gateway bank.

20. (Withdrawn) A system for performing push-model fund transfers, the system being in communication with the Internet and comprising:

a customer front-end, adapted to enable a customer to enroll in the system, to request a fund transfer, and to observe information regarding the fund transfer, the customer front end also being adapted to generate and to transmit a transaction corresponding to the fund transfer;

a customer service front-end, adapted to enable system operators to observe information regarding the fund transfer;

an operations front-end, adapted to enable a system operator to observe information regarding settlements and returns;

a treasury front-end, adapted to enable a treasury operator to update currency conversion rates, customer fees, adjust risk parameters, and correspondent bank account numbers;

an OFAC filter, adapted to download and import an OFAC database from the Internet into the system;

an FX engine, comprising:

- an FX transaction database;
- a user database;
- an acquiring system, adapted to accept the transaction request from the customer front end, to perform an OFAC check on the accepted transaction request using the OFAC database downloaded by the OFAC filter, and to store a transaction record in the FX transaction database if the OFAC check on the transaction request is passed, the transaction record containing information regarding a transaction;
- an FX XML agent, adapted to read a transaction record from the FX transaction database, to create a corresponding XML file, and to send the corresponding XML file to the transfer engine;
- an e-mail agent, adapted to send an e-mail message to a customer when the customer enrolls in the system, when a transaction is requested, and when a transaction is confirmed;
- a plurality of front-end servers, comprising:
 - an event server, adapted to pass a status of a transaction;
 - a user server, adapted to pass information regarding an enrollment;

a transaction ID server, adapted to generate a unique number for each transaction;

a signing server, adapted to perform a security check on each transaction;

a currency manager, comprising:

a rate server, adapted to read the currency exchange rate from the FX database;

a rate agent, adapted to pass information from the treasury front-end;

the FX engine being adapted to respond to requests for fund transfers by performing currency conversion using the currency conversion rates, by entering corresponding records in the user and FX transaction database, by submitting transactions to the transfer engine, and by causing status emails to be sent to customers;

an transfer engine, comprising:

a transfer processor;

a transfer database;

wherein the transfer processor is adapted to perform on-line payment systems interface processing, batch payment system interface processing, and exception processing;

a risk management module, adapted to use the risk parameters to impose velocity limits on requests for fund transfers.

21. (Withdrawn) The system of claim 20, wherein the transfers are performed via the ACH network.

22. (Withdrawn) The system of claim 20, wherein the transfers are performed via the ATM network.
23. (Withdrawn) A system for performing push-model fund transfers between comprising a transaction previewer that enables a user to select and input one of the set consisting of a desired amount of currency to be sent and a desired amount of currency to be received, and to then display a complete calculation including each other element of the transaction.
24. (Withdrawn) The system of claim 23, wherein the currencies can be those of any of a plurality of nationalities, and wherein one element of the transaction that is displayed by the transaction previewer is the exchange rate between a nationality of currency to be sent and a nationality of currency to be received.
25. (Withdrawn) The system of claim 23, wherein the transaction previewer comprises an Internet website.
26. (Original) A system for performing push-model fund transfers between at least one user and at least one payor, the system comprising:
- at least one payor interface;
 - a gateway having at least one gateway account, said gateway being operative:
 - to receive information identifying a desired fund transfer;
 - to receive incoming funds via a remote deposit from the payor into said at least one gateway account after receiving said information;

to inform the user that the payor has provided an appropriate amount of funds if
said incoming funds received are of an appropriate amount according to
said desired fund transfer; and
to send corresponding outgoing funds to the user after receiving said incoming
funds.

27. (Original) The system of claim 26, wherein said at least one payer interface comprises software adapted to permit the payor to provide said information.

28. (Original) The system of claim 27, wherein said at least one payer interface further comprises a transaction previewer that enables a user to select and input one of the set consisting of a desired amount of currency to be sent and a desired amount of currency to be received, and to then display a complete calculation including each other element of the transaction.

29. (Original) The system of claim 26, wherein the funds can be currencies of any of a plurality of nationalities.

30. (Original) The system of claim 29, wherein the currencies can be of any of a plurality of nationalities, and one element of the transaction that is displayed by the transaction previewer is the exchange rate between a nationality of currency to be sent and a nationality of currency to be received.

IX. Evidence Appendix

No evidence has been submitted in this application pursuant to §§ 1.130-32. Applicant is investigating the possibility of entering evidence of secondary considerations of non-obviousness, which evidence would be entered prior to the deadline for appeal brief.

X. Related Proceedings Appendix

As discussed above in Part II, there are no related proceedings.

Conclusion

Applicant respectfully requests reconsideration and the issuance of a timely Notice of Allowance for the pending claims. If the Examiner believes that there are any matters that can be resolved by a telephonic interview, the undersigned would welcome a telephone call.

Respectfully submitted:

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